

EXHIBIT 3

1 THE COURT: Okay. Well, I just want -- assuming
2 that we conclude today with no outstanding objections, when
3 you get it filed please contact Ms. Doe and I will look at
4 it right away.

5 I do have a 4:00 o'clock hearing. And so I expect
6 that hearing to take less than an hour, but I may be wrong
7 about that. But it's not like I'm going anywhere. I
8 just -- I may have an hour when I can't look at whatever you
9 submit. But beyond that I'm pretty free.

10 Okay, let's move ahead. Where are you next,
11 Mr. Carlson?

12 MR. CARLSON: From there, Your Honor, I go to
13 paragraph 97. This is the non-Apache sureties reservation
14 rights language.

15 And here --

16 THE COURT: Wait a minute.

17 MR. CARLSON: -- we have received.

18 THE COURT: Hold on. I ended up in the wrong
19 place.

20 (Pause in the proceedings.)

21 THE COURT: Okay, I'm about there. There we go.

22 MR. CARLSON: Your Honor, this paragraph I think
23 is kind of (glitch in the audio) reservation of rights the
24 way I see it. Number one, that nothing in the Plan document
25 modify the rights as between obligees and sureties. That's

1 sort of what's captured in A.

2 B is nothing requires non-Apache Sureties to
3 extend additional new surety credit. And then C is nothing
4 in the order or Plan documents increase or decrease rights
5 of sureties against non-Debtor parties for the
6 post-effective date Debtors, Fieldwood One, Two and Four,
7 and the NewCo entity with the reservation of rights with
8 respect to assumed contracts.

9 And I think --

10 THE COURT: So tell me -- I don't understand how A
11 works in combination with the exculpation clause.

12 MR. CARLSON: So A is limited to the non-Apache
13 sureties. Nothing is adjudicating or modifying their rights
14 as between only those non-Apache sureties and the obligees
15 under their respective bonds.

16 THE COURT: But does that mean that there can be a
17 dispute between the obligees and the non-Apache sureties as
18 to matters that are exculpated in the Plan? Or does the
19 exculpation clause control over A?

20 Because I think both have notwithstanding
21 anything else and I'm a little nervous about having
22 contradictory paragraphs that say notwithstanding anything
23 else.

24 What's the deal on how this interacts with that?

25 MR. CARLSON: Yeah, I think your right. I think

1 it's -- we do have that language on the less expressly
2 provided the contrary in the Plan documents. Language here
3 and I think you're right that if there is an expressed
4 provision that does impact that, that would supersede this
5 language in A.

6 THE COURT: I mean, it says unless expressly
7 provided and then it says nothing in the exculpation
8 provision does these things. I do not want the ambiguity.
9 I want to have you guys apparently talk some more to be sure
10 that I don't have cross conflicts like that.

11 I'm happy with however you-all resolve it. And
12 maybe you-all have an agreement that I'm not fully
13 appreciating. Let's see, Mr. Ripley?

14 (Pause in the proceedings.)

15 THE COURT: Mr. Ripley?

16 MR. RIPLEY: Oh, good afternoon, Your Honor. Ed
17 Ripley with Andrews Myers on behalf of Chevron and various
18 affiliates.

19 Judge this whole paragraph first came about last
20 afternoon. And the first introductory clause is a problem.
21 Because what it does is it basically takes away the
22 reservation of rights language. I think there's some other
23 provision that's buried in the thousands and thousands and
24 thousands of pages of other documents that people met all
25 the transactions under the Plan.

1 It's overly broad in and it's completely
2 unnecessary. The -- this was added in because one
3 particular obligees and predecessor had worked out
4 additional language. And so there's a way to deal with that
5 parties unique issues without having this.

6 Because right now -- particularly under
7 subparagraph A -- my client is an obligee under various
8 bonds and we have no idea, again if anything in any of the -
9 - for example Fieldwood Energy One or the Newco Credit Bid
10 transaction documents has some effect on our bonds.

11 We haven't checked all those pages. We shouldn't
12 be forced to check all those pages.

13 Again, that first clause needs to come out. It's
14 unnecessary.

15 THE COURT: Which first clause?

16 MR. RIPLEY: The "unless expressly provided to the
17 contrary in the Plan documents."

18 THE COURT: But then if it says, "the exculpation
19 provision doesn't effect people's rights under the deal in
20 the Plan." And it does effect people's rights under the
21 deal in the Plan.

22 I mean we are ordering that no one can
23 subsequently challenge the deal. The deal is protected.

24 MR. RIPLEY: Yeah, I think -- Judge I think you
25 raise a good issue that no one else had raised yesterday in

1 the discussions amongst all different parties. They ought
2 to be able to carve in the exculpation because -- to make
3 sure that there isn't some gap or inconsistency.

4 But that introductory clause was not raised in
5 connection with the exculpation in all the discussions
6 yesterday. Again it was added solely to deal with one
7 individual obligee and predecessors peculiar issues and
8 there is easier ways to deal with that.

9 THE COURT: Mr. Bains. Mr. Bains?

10 MR. BAINS: Good afternoon, yeah good afternoon,
11 Your Honor. Brandon Bains on behalf of Travelers, Liberty,
12 Hanover and XL.

13 I just wanted to echo Mr. Ripley's comments. You
14 know we had some discussion about this language. In fact,
15 Mr. Ripley's clients, Chevron, is an obligee for all four of
16 my sureties.

17 I think the intention here, Your Honor, is simply
18 that if we get down the road and there is a bond claim by
19 Chevron, I think all parties agree that nothing in the plan,
20 nothing in the order impacts Chevron's rights under the
21 bonds, impacts our defenses under the bonds. And I think
22 that's what we're trying to accomplish here.

23 I would agree with him that I think the first
24 clause should be taken out because it just adds to confusion
25 and we really seek to adjudicate something that is outside

1 the purview of this Court when it comes to any of those bond
2 claims two or three years from now.

3 THE COURT: Yeah, that makes a lot of sense. So
4 just to put that sort of in a hypothetical example. If the
5 obligee a year ago did something that would preclude your
6 liability to the obligee that argument remains.

7 But the obligees participation in the Plan would
8 not be a defense. And if we can say those, I think that's
9 consistent with what I'm intending to order. I don't think
10 this says that.

11 MR. RIPLEY: And Judge, -- yeah that is the
12 intent.

13 THE COURT: Great. I don't know how to say that.
14 We can all take a stab at it, but should I let you-all take
15 a stab all together without me.

16 MR. RIPLEY: Yes, Your Honor, we'll take a stab at
17 it.

18 THE COURT: Mr. Dendinger? Mr. Dendinger?

19 MR. DENDINGER: Yes, good afternoon, Your Honor.
20 I guess for the record, Mark Dendinger, Bracewell for ENI
21 Petroleum US LLC and ENI US Operating Company. May I be
22 heard?

23 THE COURT: Yes, sir.

24 MR. DENDINGER: I believe Mr. Ripley is
25 generically referring to -- for my clients as the obligee

1 with the peculiar language.

2 I didn't realize that it expressly provided to the
3 contrary in the Plan documents was solely put in for my
4 clients benefits.

5 But the reason that lead in was important to us is
6 without some version of a lead in that would say, "except
7 expressly provide to the contrary" in paragraphs X to Y of
8 this Order and the ENI definitive documentation are
9 concerned with me this entire paragraph and my client's
10 rights as obligee and the non-Apache's sureties rights would
11 vitiate the paragraph that we negotiated that we'll come to
12 later on in the Order.

13 I believe the paragraph range is 118 -- 111 to
14 118. I apologize, Your Honor. So Mr. Ripley has made a
15 sound deduction --

16 THE COURT: Could it say, for example -- and I
17 haven't read 111 to 118 -- subject to paragraphs 111 to 118.
18 Would that have the same effect?

19 MR. DENDINGER: Yes, yes. And that would be fine,
20 Your Honor. I would prefer that it also maybe use the
21 phrase "and the ENI definitive documentation."

22 THE COURT: It doesn't bother me as long as it's
23 limited to ENI. All right, from Chicago, 502-2956.

24 MR. KOOY: Yes, Your Honor. Ralph Kooy on behalf
25 of North American Specialty. I did want to add our

1 agreement with Mr. Bains and Mr. Ripley that we didn't
2 understand the need for that first clause.

3 You know, one of the entries our client continues
4 to have and we say it's advisable to half of -- or on behalf
5 of Fieldwood, but namely Chevron and ENI as obligee.

6 You know, we still have our larger objection. And
7 it relates, you know, to the term sheets that have been
8 entered that we sort of, you know, obtuse or abstruse
9 references to the surety providing money for clean up.

10 We still don't think there's, you know, a clear
11 understanding of how these bonds survive and under what
12 basis. I have not reviewed paragraph 111 through 118, but
13 our -- you know, we're happy with the language that nothing
14 in the order or plan shall be deemed to modify, you know,
15 our defenses should these obligees specifically any and
16 Chevron make a claim because we want to be able to preserve
17 our surety defenses.

18 We're still hesitant, you know, we agree that that
19 last provision should be removed consistent with Mr. Bains
20 and his position on behalf of his clients. We would have to
21 take a look at 111 and 118 and I assume that means we'll be
22 doing that offline here.

23 THE COURT: All right. Let me just be sure that
24 you're telling me the same thing others are. You're not
25 looking -- well. I know they argued against this. I've

1 overruled the question of whether you can have a defense
2 based on what's occurring in the Plan itself.

3 So to the extent that that's your objection, I'm
4 substantively overruling it. But I am sustaining any
5 objection that says that I should effect rights other than
6 were determined in the Plan.

7 And I don't think paragraph 97 is correct in that
8 regard on any side of that. So hopefully you-all can work
9 through that some more. And that may take more than this
10 afternoon and I understand that. But it's an important
11 paragraph.

12 MR. KOOY: All right.

13 THE COURT: Is that -- and I know that you have
14 that objection. I want there to be a clear record. You can
15 appeal it. I've got zero problem with that.

16 But I agree that your defenses that existed when
17 this case was filed, we should not be adjudicating or
18 altering at all. It's only the Plan itself that we're
19 approving can't then serve as the defense.

20 And I know that you disagree with that. I've got
21 no problem with you disagreeing with that. But that's the
22 part I'm overruling and only that part.

23 MR. KOOY: Understood.

24 THE COURT: Thank you. All right.

25 MR. BAINS: Your Honor, Brandon Bains, if I may.

1 THE COURT: Sure, Mr. Bains.

2 MR. BAINS: And just, Your Honor on that point for
3 purposes of the record, I did want to make clear, at least
4 on behalf of my clients, that we do still have substantive
5 legal objections to the Plan.

6 We understand the Court has overruled those.

7 Obviously all of this is subject to those objections. But
8 trying to get to the language that we're not opposed to as
9 part of the Confirmation Order. I think you said that
10 before, but I just wanted to make that clear.

11 THE COURT: I did and I'll reiterate it now. I
12 made substantive rulings during the hearing. Perhaps just
13 clarified one so that there could be no ambiguity about what
14 I meant to say.

15 And then I ordered the parties -- like you and
16 your client, Mr. Bains, -- to agree on a form that would
17 implement the rulings. And you are not waiving
18 anything -- it's not my intent that you're ruling anything
19 by agreeing to the form of the order in a manner that is
20 consistent with the Court's rulings. And your objections
21 previously made are preserved in that regard.

22 And that is true for everyone that is, you know,
23 working as best I can tell in absolute good faith to try and
24 implement the Court's orders. I have no problem with what
25 anybody is doing or saying here. And expect that no

1 Appellate Court would think that the work of fine lawyers
2 implementing a Court order shouldn't be a waiver. It's just
3 not.

4 MR. KOOY: Your Honor, I don't know if I'm still
5 unmated. This is Ralph Kooy again.

6 THE COURT: No, you're still live.

7 MR. KOOY: Okay. I just -- I appreciate that
8 clarification and we had not, you know, officially made our
9 closing voicing and continuing our objection. But based on
10 your (indiscernible) that that applies to North American
11 Specialty as well.

12 THE COURT: It applies to them and to all the
13 others that raised objections that I overruled. You know,
14 this is a really hard long complicated thing. And for your
15 clients too, you want a clear order even for appellate
16 purposes.

17 And compliance with my direction to try and work
18 on getting something that clarifies and implements the
19 Court's rulings only shows good lawyering and not waiver as
20 far as I'm concerned. And I make that as to all --

21 MR. KOOY: Thank you very much, Your Honor.

22 THE COURT: -- all parties. Thank you. All
23 right, so I'm going to let everybody tell me if this means
24 that want a little -- maybe overnight -- to work on that
25 paragraph and come back in the morning or something.

1 But I am worried about getting this one done with
2 this many parties that really care about how that language
3 is going to fit in.

4 So let's go on down. What do you have next?

5 MR. CARLSON: Well, I think these next couple of
6 paragraphs were also a part of those same discussions. I
7 think paragraph 98 is really clarification that -- you heard
8 a lot of testimony and discussion on this. None of the nine
9 Apache bonds where the Debtor is the principal are being
10 allocated or assigned pursuant to the Plan.

11 I don't think there's anything controversial about
12 98, but folks can speak up if so.

13 And then paragraph 99 is really intended to try
14 and address what is being dealt -- what subrogation rights
15 are being dealt with under the Plan and what aren't for the
16 pre-post subrogation rights discussion that we've had.

17 (Pause in the proceedings.)

18 THE COURT: I'm not sure what 99 means.

19 (Pause in the proceedings.)

20 MR. CARLSON: What this is intended to say is that
21 any post-effective date subrogation rights are not being.
22 The way I read this anyway, others can disagree but, are not
23 being dealt with or are not being enjoined release, altered
24 or diminished not by the non-Apache Surety subrogation
25 rights.

1 THE COURT: So, if money is paid to the Government
2 under the Plan, by a bonding company, can they come back
3 against NewCo? Because my ruling was they couldn't and this
4 paragraph seems to say they can.

5 I don't think it's consistent with my ruling.

6 MR. CARLSON: They cannot. They cannot, Your
7 Honor. I think that's right and if we need to fix this to
8 be consistent we will.

9 THE COURT: I read this to say that if a
10 subrogation right arises on the effective date and on the
11 effective date Newco will be an owner, if they're preserved.
12 And that is not my intention.

13 I believe it is inconsistent with Mid Atlantic.

14 MR. BAINS: Your Honor, Brandon Bains, if I may?

15 THE COURT: Yes, sir.

16 MR. BAINS: Let me just say for my four sureties,
17 Your Honor, we do not have any Government bonds. All of our
18 bonds are on behalf or excuse me, on behalf of Fieldwood in
19 favor of private entities.

20 THE COURT: Right.

21 MR. BAINS: I can say for my purposes, we're
22 simply trying to preserve those subrogation rights. I think
23 it's maybe a different issue than the Court is hitting on.
24 So I do think the folks that have the Government bonds can
25 speak up if they need to on that.

1 But I do think it's important for any of the other
2 subrogation rights for sureties that private bonds be
3 preserved after the effective dates, which is what this
4 language is at least attempting to get do.

5 THE COURT: So, is Newco buying any of the
6 property on which your client can assert subrogation rights?

7 MR. BAINS: There are assets bonded by my clients
8 that are flowing to Newco, yes.

9 THE COURT: Yeah, I am --

10 MR. BAINS: I still have -- I mean --

11 THE COURT: -- so this is a ruling I tried to make
12 before. Newco buys free and clear.

13 MR. BAINS: I don't know that that's the issue
14 that we're fighting about. I think the issue is more if,
15 for instance Mr. Ripley's client, Chevron, if we pay out on
16 that bond on an asset that has gone to Newco, we're
17 subrogated to Chevron's rights or the other obligee.

18 THE COURT: This has being bought free and clear
19 of Chevron's rights, right? Newco isn't taking it and then
20 having to pay other than what they've agreed to pay. They
21 don't have to pay extra via subrogation.

22 MR. BAINS: No, I think I'm saying something
23 different, Your Honor.

24 THE COURT: Okay.

25 MR. BAINS: I think I'm talking about in the

1 future lets say if Newco otherwise did not perform long
2 after the effective date for their own obligations with the
3 Government. If the Government issued some sort of order
4 that flowed back to Chevron in the chain of title or not.
5 However we come to pay under our bond, we're just simply
6 saying we maintain those subrogation rights against our
7 private obligees.

8 I don't know that it's impacting the free and
9 clear concept that the Court is worried about.

10 THE COURT: I think it depends if what you're
11 describing is Newco post effective date puts up a new
12 platform. That's Newco's problem. I don't know that anyone
13 has bonded that. But that's Newco's problem. And people
14 are going to be subrogated.

15 But people are not going to be able to sue Newco
16 for a error obligation that arose before their acquisition.

17 MR. BAINS: That arose before the acquisition is
18 that what you said?

19 THE COURT: Right. If the error obligation
20 existed on the date, you know, prior to the date of Newco's
21 acquisition, Newco can't be forced to pay that other than
22 what the Plan says. That's the whole fundamental --

23 MR. BAINS: Yeah I understand.

24 THE COURT: -- premises of the Plan.

25 MR. BAINS: I would agree that's the premise of

1 the Plan. I don't think that's what this is saying. This
2 is saying subrogation rights that would arise after that.

3 THE COURT: No it says other than those
4 subrogation that arose on or before the effective date.

5 MR. BAINS: Well the -- I think Ms. Loui or
6 Mr. Carlson talked to this. The intention was saying
7 nothing is going to impact the subrogation rights other than
8 those ones that came before. Those are the ones that are
9 being impacted. Those are the ones that are being cut off.

10 The intention was to keep the ones afterwards.

11 And I don't believe I'm misrepresenting Ms. Loui.

12 THE COURT: I got it. I got it. Okay, so I maybe
13 just misreading this. Thank you. I think I was misreading
14 it. Let me try again.

15 (Pause in the proceedings.)

16 THE COURT: I was misreading it. I think you're
17 right. I'm going to withdraw my comment.

18 MR. BAINS: Thank you.

19 THE COURT: Thank you. Sorry, Mr. Carlson, about
20 that diversion scary statement by me. I got it wrong.

21 MR. CARLSON: No problem.

22 THE COURT: Let's go ahead. Hold on. Ms. Ryan,
23 welcome back.

24 MS. RYAN: Thank you, Judge Isgur. Again for the
25 record this is Abigail Ryan on behalf of the Railroad

1 Commission of Texas.

2 I can conferred with my colleagues on the tax
3 bankruptcy side here at the Attorney General's Office, Your
4 Honor. And the taxing entity referred to -- and I believe
5 it's paragraph 78 or 77 -- are ad valorem taxes. And so, we
6 don't represent each and every separate county or school
7 district that has taxing issues.

8 What is -- that was handled by -- let me pull it
9 up there. (Glitch in the audio) by a private law firm and
10 filed an objection and that firm is the Perdue, Brandon,
11 Fielder, Collins and Mott law firm. It looks like Ellen
12 Connex filed an objection and this is Melissa Valdez also on
13 their signatory block. So, this is out of the Attorney
14 General's purview for today.

15 THE COURT: Thank you for the announcement. I'm
16 taking, though, that the Attorney General -- perhaps because
17 it doesn't have an assignment, perhaps because it hasn't
18 been called on to act -- the Attorney General is not
19 asserting an objection to those paragraphs, right?

20 MS. RYAN: Correct. In fact, I just received an
21 email as you were speaking from the manager of the taxing
22 section of our office. And he looked at the Order and he
23 doesn't have a problem with that provision of the proposed
24 Order or the one addressing Louisiana's taxing concerns.

25 And so that's from Mr. John Stern. He's the

1 manager of the bankruptcy tax section of Attorney General's
2 Office.

3 THE COURT: All right, thank you Ms. Ryan.

4 MS. RYAN: Thank you, Your Honor.

5 THE COURT: Mr. Zuber?

6 (Pause in the proceedings.)

7 THE COURT: Mr. Zuber, if you're talking your line
8 is muted.

9 MR. ZUBER: I'm sorry, Your Honor. I was just
10 going to arise to address Your Honor's concern about
11 paragraph 99, but those have now been resolved. So I don't
12 need to address at this point.

13 THE COURT: Thank you. Mr. Schaible?

14 (Pause in the proceedings.)

15 THE COURT: Mr. Schaible?

16 MR. SCHAIBLE: Your Honor, I was just going to ask
17 with respect to that paragraph, I think that everyone on
18 this call expectation and understanding is clear. But later
19 in the Order, we have somewhat similar language and what we
20 did there was clarify that with respect to post-effective
21 date activities. And I'm wondering if we could add -- if we
22 could add that in the paragraph?

23 Again, I think everyone understands the point, but
24 the language -- as Your Honor pointed out -- could actually
25 benefit from being clearer.

1 In other words, to the extent that subrogation
2 started -- to the extent that work on account of
3 pre-effective date activities occurs post-effective date and
4 therefore the subrogation could theoretically arise
5 post-effective date, but it's with regard to pre-effective
6 date obligations, credit bid Newco should not be on the hook
7 is your point.

8 And I'm wondering if just the addition of, you
9 know, with respect to post-effective date activities may
10 solve that ambiguity.

11 THE COURT: Sounds like that makes some sense to
12 me. Let's see if it causes anybody any problem because
13 you-all are going to have a bunch of discussions.

14 Ms. Loui, did you have a comment about that as
15 well?

16 MS. LOUI: Yes, Your Honor. I was actually going
17 to say exactly what Mr. Schaible said. So I think we're in
18 agreement that we have some clarifying to do on the language
19 in paragraph 99.

20 THE COURT: Thank you. All right, let's move to
21 paragraph -- I'm sorry, go ahead.

22 MR. BAINS: I'm sorry, Your Honor, Brandon Bains.
23 I don't want to belabor this point too much, but I do want
24 to make sure that I understand what Mr. Schaible is saying.

25 If he's simply saying that they want to make clear

1 that it's post-effective date activities, I think that's
2 consistent with everything we've talked about. One concern
3 is he seemed to make a comment about pre-effective date
4 obligations and those are two different things.

5 I mean there's no dispute, obviously, all bonds
6 are pre-effective date otherwise we wouldn't be
7 participating in this joyous process.

8 So yeah we're going to have bonds that are
9 pre-effective date. The question is going to become whether
10 the obligations under those bonds arise post-effective date,
11 therefore giving rise to the subrogation rights.

12 If we're all on the same page that that's fine,
13 okay. I think that's what we're saying, but I want to make
14 sure I understood him correctly.

15 THE COURT: Yeah, so look there's the argument
16 that I think we all know which is that the owner of property
17 has a continuing duty to clean it up. And so one could
18 argue that post-effective date an obligation arose. They're
19 saying that they shouldn't have liability for those. I
20 think that's right.

21 On the other hand, there could be activity they
22 engage in post-effective date. Let's say they go, you know,
23 disturb a pipe or they go install a new platform and for
24 that they should have liability.

25 And so that's what I think the purpose of

1 Mr. Schaible's comment was. I don't know if that's
2 inconsistent with what you're saying.

3 MR. BAINS: I think all I'm simply saying is yes
4 that's what you just captured is the understanding of the
5 provision. But if there was some notion that because a bond
6 was issued pre-effective date that it never has any
7 subrogation rights I do not agree with that.

8 MR. SCHAIBLE: No, that is not -- that is not what
9 I intended, sorry. Literally the addition would be just the
10 words "on account of post-effective date activities" into
11 the existing language. That's all.

12 MR. BAINS: Understood, Mr. Schaible. I think we
13 can look at that then. We have to do it anyways. Thank
14 you.

15 THE COURT: Thank you. All right, let's go to
16 paragraph 100. Hold on, I've got somebody else. Mr. Zuber
17 go ahead, your line is remaining active. Mr. Zuber?

18 (Pause in the proceedings.)

19 THE COURT: Mr. Balasko?

20 (Pause in the proceedings.)

21 THE COURT: Mr. Balasko?

22 MR. BALASKO: Thank you, Your Honor. Zach Balasko
23 for the Department of the Interior. As to paragraph 100 is
24 a very, very minor change. I don't think the terms BOEM and
25 BSEE are defined anywhere in the Order or the Plan. So,

1 somewhere either in the Plan or in this Order those terms
2 need to be defined.

3 THE COURT: Except we all know them.

4 MR. BALASKO: That's true, Your Honor, but
5 whoever's looking at this in the future might not.

6 THE COURT: All right. Mr. Carlson, where do you
7 want to go next?

8 MR. CARLSON: Your Honor, the next I think nine
9 or ten paragraphs are the Chevron specific paragraphs. I am
10 not aware of any objections. But -- and they haven't
11 changed. But would -- I guess Mr. Ripley may have something
12 to say about it, but from our perspective these are --

13 MR. RIPLEY: Yes, Your Honor. Ed Ripley, Your
14 Honor, Andrews and Myers on behalf of Chevron. Yeah, we had
15 provided for example, in what's now paragraph 101. We had
16 provided additional protective language that would go in at
17 the end.

18 That language comes from other parts of the exact
19 same order. And so we don't understand why that would not
20 be included there.

21 And we've provided the redlines to Mr. Carlson and
22 his team. I can -- I can even have it brought up if you
23 want to see it Judge. But it is a literally a cut and paste
24 from other provisions in the exact same order -- in this
25 order.

1 And it's protective language and reservation of
2 rights language.

3 THE COURT: Let me give Mr. Carlson a minute to
4 look at it.

5 (Pause in the proceedings.)

6 MR. CARLSON: Yeah, I don't think we're agreed on
7 this language yet. We're going to have to look at it.

8 MR. RIPLEY: Right, I think it slightly changed in
9 your new paragraph 62. But whatever that language is, we
10 just wanted to have the exact same language. Wherever you
11 come down on that.

12 MR. CARLSON: Okay, Mr. Ripley, it sounds like we
13 can work this out.

14 THE COURT: Thank you. Mr. Zuber?

15 MR. STURM: Good afternoon, Judge. This is Jay
16 Strum for Aspen, Berkley and Sirius Insurance companies.

17 I apologize, Judge. I tried to raise my hand a
18 minute ago to speak on 99. We were just a little bit
19 confused as to the ruling with respect to 99, Judge.

20 Our understanding and based on our negotiations
21 with the other parties is that what is being preserved is
22 any subrogation rights that arise post-effective date -- and
23 that would be for any operations by the credited purchaser.
24 You know, it's really geared toward if the credited
25 purchaser doesn't comply with the -- with their obligations

1 under the BOEM regulations and they don't do their
2 decommissioning, an surety has to step in and perform, then
3 the surety should be subrogated to -- as against the
4 credited purchaser.

5 That was what that was aimed at and Your Honor's
6 comments with respect to new wells, new platforms and I just
7 want to make sure it would be as to any obligee.

8 THE COURT: I am overruling that objection now for
9 the fourth time. The purchasers are not undertaking an
10 obligation to do error work other than as specifically
11 provided in the Plan.

12 And you are not subrogated to the right to sue
13 them for failure to do error work if that error work existed
14 prior to the effective date. I understand that the sureties
15 massively object to that ruling, but that's the ruling.

16 MR. STRUM: Understood Judge. We appreciate the
17 clarity.

18 THE COURT: Thank you. All right, let's go back,
19 Mr. Carlson?

20 MR. CARLSON: So from there, Your Honor, I would
21 go to paragraph 111 through --

22 MR. RIPLEY: Actually we have some other Chevron
23 issues, Your Honor.

24 THE COURT: Go ahead, Mr. Ripley.

25 MR. RIPLEY: Judge, what is now paragraph 105, we